

# **AMENDMENT 1**

## **I. INTRODUCTION**

The 2020-21 Community Development Block Grant (CDBG) Annual Action Plan (AAP) is a one-year plan to address housing and community development needs in Lodi, with a particular focus on the needs of low-income households. This is the second year of the implementation of the five-year 2019-2023 Consolidated Plan. Both the Consolidated Plan and the AAP are implemented by the Neighborhood Services Division in the City of Lodi Community Development Department.

The 2020–21 AAP was adopted by the City Council on May 6, 2020, and at the time of this amendment's drafting, is currently in the process of being reviewed for approval by the US Department of Housing and Urban Development (HUD). The AAP may be amended in accordance with the City's Citizen Participation Plan and HUD guidelines. This amendment is prepared pursuant to the City's Citizen Participation Plan as approved by HUD.

The City is working to streamline project management, and part of that process includes identifying projects that are not ready to be funded, not a good fit for CDBG funding, or are delayed in their delivery and therefore unlikely to meet HUD spending deadlines. In this amendment, the City is looking to reallocate funds from multiple existing projects that were not fully spent down, have been cancelled, or are in progress but that have additional funding. These funds will go to two other projects that are currently in progress but lacking in funds.

One source of reallocated funds will come from multiple prior year CDBG allocations with unallocated resources. These funds are left over from capital improvement projects that spent fewer funds than anticipated in the project's completion. The prior year resources used in this amendment will come from 2014, 2017, and 2018 leftover allocations.

This amendment will also reallocate leftover funds from the 2019-20 CDBG program year—specifically, the CDBG funds that were allocated for property acquisition for the HEAP: Tiny Homes project in the 2019-20 CDBG program year. Originally, the City had allocated funds to this project through the 2019-20 AAP; however, the City experienced delays in finding suitable sites for the tiny homes within the originally anticipated time frame, which delayed the overall implementation of this project. Additionally, after assessing the program requirements further, City staff determined that the administrative burden and requirements associated with allocating CDBG funds to this project could lead to added project costs. Examples include the requirements needed to comply with the prevailing wage standards, the Davis-Bacon Act, the National Environmental Protection Agency Act, and the California Environmental Quality Act. The City is working on identifying a site for development and is moving forward in the process of implementing this project; however, the City has decided to reallocate funds to existing projects that are scheduled to be completed or implemented sooner.

In some instances, subrecipients of 2019-20 CDBG program funds were unable to fully spend down their annual allocation due to reasons beyond the subrecipient's control. In particular, San Joaquin Fair Housing's (SJFH) fair housing services program experienced restrictions in the program's implementation due to the COVID-19 pandemic. Specifically, the pandemic resulted in several safety and health related restrictions on in-person gatherings and face-to-face contact. These restrictions cut short the delivery of SJFH's third and fourth quarter outreach efforts, which resulted in the cancellation of the second scheduled tenant/landlord workshop. This left a portion of its 2019-20 planning and administration funds unspent.

Another source of reallocated funds will come from resources that were returned to HUD from prior year canceled CDBG capital projects. This amendment outlines how these funds will be repurposed. This reallocation is possible due to multiple projects from prior years being canceled (Grace and Mercy, City Hall Carnegie Forum Improvements, and Public Counters Improvements) once CDBG funds had already been spent on a portion of the project's activities. When this happens, the funds that were spent on the canceled projects become ineligible expenses, and the City must reimburse HUD for these ineligible expenses. Once the funds are paid back to HUD, the resources are then returned to the City's Line of Credit with HUD, and the funds are in effect able to be repurposed for other projects.

Lastly, current 2020-21 CDBG program year funds will be reallocated from the Salvation Army: HVAC & Refrigerator Repairs project. This project was originally scheduled to be completed by the end of the 2019-20 CDBG program year; however, due to delays and reductions in staff capacity, the subrecipient now anticipates the project to be completed by December 2020. The 2020-21 CDBG AAP originally approximated an amount of funds for this project because, at the time of the AAP's drafting, an official budget had not been finalized. The subrecipient has officially provided the City with a finalized budget and the total project cost is significantly lower than originally anticipated. Therefore, funds originally allocated to this project are now able to be transferred elsewhere.

Questions regarding this AAP amendment should be directed to:

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This AAP amendment will be made available for public review during a 30-day public comment period from September 28, 2020, to November 4, 2020. A public hearing on the amendment will be held on November 4, 2020, at the Lodi City Council meeting.

## II. REALLOCATED FUNDS

A reallocation of funds is being considered for the following projects with uncommitted, leftover, and excess funds:

Transfer Source	Project/Public Service Name	Balance to Transfer
2014, 2017, 2018 Prior Year Resources	Uncommitted/leftover prior grant year resources	\$58,147.16
19.03	HEAP Tiny Homes Project: CDBG Property Acquisition (cancelled)	\$13,017.00
20.01B	SJFH Planning and Administration (rollover transfer)	\$2,416.44
Multiple: 15.04; 16.06; 17.04; 17.05; 17.13	HUD Reimbursements – Reusable CDBG funds	\$6,267.50
20.03	Salvation Army HVAC & Refrigeration Repairs	\$34,570.22
	TOTAL	\$114,418.32

## III. ACTIVITY CHANGES

The City has identified two existing projects to which it will commit these reallocated CDBG funds:

- 19.02: Blakely Restroom
- 16.04: Housing Rehabilitation and Emergency Repair Program

As outlined in the City’s Citizen Participation Plan, in order to commit these funds to existing activities, the City must amend the 2020–21 AAP. Descriptions of activities and proposed reallocation amounts are as follows:

### ***PUBLIC FACILITIES***

#### **19.02 Blakely Park Restroom Improvements Project**

##### **City of Lodi - Public Works Department**

This project consists of the construction of a new restroom facility at Blakely Park. The bids received came in higher than anticipated by the City. This amendment will add additional funds that would cover the entire cost of the remainder of the project.

<b>National Objective</b>	570.20(1)(c) Low-Moderate Income, Area Benefit
<b>Activity Eligibility:</b>	570.201(c) Public Facilities and Improvements
<b>Priority Needs:</b>	Improvements to Community Parks and Green Spaces (Low)

<b>Goals Addressed:</b>	Improve Community Parks and Green Spaces
<b>Output:</b>	One public facility improvement (Approx. 31,000 persons served)
<b>Outcome Category:</b>	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit
<b>Original Funding: 2019-20 AAP</b>	\$273,000.00
<b>2019-20 Administrative Transfer: (from 19.04)</b>	\$68,250.00
<b>Added Funding: 2020-21 AAP Amendment #1</b>	\$45,000.00
<b>New Total:</b>	<b>\$386,250.00</b>

#### 16.04 Housing Rehabilitation and Repair City of Lodi - Neighborhood Services Division

This project provides grants to homeowners to help them with health, safety, and emergency-type repairs to their homes. Specifically, loans of up to \$10,000 are provided to lower-income elderly persons, persons with disabilities, and families who own and occupy their home and need financial assistance to make minor interior and exterior repairs and improvements. This amendment will add additional funds to this project to help cover program administration costs.

<b>National Objective</b>	570.208(a)(3) Low-Moderate Income Housing
<b>Activity Eligibility:</b>	570.201(c) Rehabilitation
<b>Priority Needs:</b>	Improvements to Housing Conditions (High)
<b>Goals Addressed:</b>	Increase and Maintain Supply of Affordable Housing
<b>Output:</b>	Assist 10 households with home repairs
<b>Outcome Category:</b>	Houses Rehabilitated
<b>Original Funding: 2016-17 AAP</b>	\$135,000
<b>Added Funding: 2020-21 AAP Amendment #1</b>	\$69,418.32
<b>New Total:</b>	<b>\$204,418.32</b>